

DEATH BENEFITS

NPERS should be notified as soon as possible when the death of a member occurs. We will then contact the named beneficiary of the account regarding his/her options. If a beneficiary is not named, the benefits will be paid to the member's estate.

General Beneficiary's Options

If a member dies prior to retirement, the estate or named beneficiary, except for the surviving spouse, will receive a lump-sum refund of the member's contributions plus accumulated interest.

Surviving Spouses' Options

If a member dies prior to retirement and has designated his/her **spouse** as the sole, primary beneficiary, if eligible, the spouse may select either a refund or a surviving spouse's monthly retirement annuity benefit. *IMPORTANT: To receive the annuity benefit, the spouse must file an application with NPERS within **120 days** of the member's death or only a lump sum will be paid.* The surviving spouses' options are as follows:

- If a member dies with **20 or more** years of creditable service or is **age 65** or older:
 - **Refund Option** – The surviving spouse may elect to receive a lump sum refund of member contributions plus accumulated interest; OR
 - **Annuity Option** – The surviving spouse may select a monthly retirement annuity benefit, paid for the rest of his/her life, under a 100% Joint and Survivorship annuity option. The benefit begins immediately after death, regardless of the member's age at death.
- If a member dies with **5 or more** years of creditable service but **less than 20** years of creditable service and is **younger than age 65** at death:
 - **Refund Option** – The surviving spouse may elect to receive a lump sum refund of member contributions plus interest and an *additional amount* equal to 101% of the total contributions plus interest, OR
 - **Annuity Option** – The surviving spouse may select a monthly retirement annuity benefit, paid for the rest of his/her life, under a 100% Joint and Survivorship annuity option. The annuity will be reduced for early retirement.
- If a member dies with less than 5 years of creditable service AND is younger than age 65 at death, the surviving spouse or named beneficiary will receive a lump-sum refund of the member's total contributions plus accumulated interest.

Note: If a spouse elects to receive a lump sum payment, he/she is permitted the same transfer options described in Chapter 7.

Proof of Death

NPERS requires proof of death before payment can be made. Preferred proof of death may be one of the following:

- A certified copy of the death certificate (not a photo copy).
- A signed statement of the funeral director, attending physician, or official of an institution where the death occurred.
- A certified copy of, or extract from, an official report or finding of death made by an agency or department of the United States or any state.
- If the death occurred outside the United States, an official report of death by a United States Consul or other authorized employee of the United States Department of State, or a certified copy of the public record of death in a foreign country.
- Other evidence of death may be used if a preferred method of proof cannot be obtained. The individual who must furnish evidence of death will be asked to explain the reason thereof and to submit other convincing evidence, such as sworn statements of at least two persons who have personal knowledge of the death. These persons must be able to swear to the date, time, place and cause of death.

DISABILITY

If a member ceases employment in a Nebraska public school because of a disability, they may be eligible for monthly retirement benefits. Disability is defined as an *“inability to engage in a substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.”* To qualify, the member must:

- Apply for disability retirement **within one year** from the date their employment ends due to the disability, if the disability is *non-work* related.
- Apply for disability retirement **within five years** from the date their employment ends due to the disability, if the disability is *work* related.
- Submit to a medical examination by a physician selected by NPERS.
- Provide a brief description of their illness and the name of their personal physician, and any other physicians or specialists they have seen regarding their illness.

If a member is on a medical leave of absence, he/she is not eligible to receive a disability retirement benefit until the leave ends and their employment is terminated.

If approved, the effective date of the disability retirement would be the first day of the month following the day the member ceases employment; OR the day the completed School Plan Application for Retirement/Disability form #NPERS3400 is filed, whichever is later.

NOTE: A medical examination by a physician selected by the Public Employees Retirement Board (PERB) is required. The cost of the examination is paid by the PERB. NPERS may require an **annual** medical examination or other information from the member to continue their benefits.

This is NOT a long-term disability insurance plan. Disability benefits are calculated in the same manner as regular retirement benefits. There is no age reduction at the normal form annuity calculation. However, NPERS will use the member's “actual age” factor based on the retirement payment option they select.

If the member receives disability insurance payments in addition to their retirement benefits, the insurance company may reduce their payment by the amount received from us. The member should contact the disability insurance provider for policy details.

